MINUTES OF POINT FOUNDATION BOARD MEETING FEB. 13, 1987

PRESENT: Stewart Brand, Kevin Kelly, Doug Carlston, Huey Johnson, Robert Fuller, Greg Archibald, Cindy Fugett, Cliff Figallo, Paul Davis

Meeting at 27 Gate Five Road, Sausalito

The meeting began with a reading of the minutes from the meeting of May 15, 1986.

A financial report was presented. Since last meeting, Cindy Fugett has taken over bookeeping from Clifford Figallo. Cindy reported that the pattern of past years has been for December and January to be strong financially, with August as the low. This winter showed the same; the last two months were strong, but the trend suggests no real gain on liabilities. Magazine income is approximately 30,000/month.

The goal is to establish a predictability of revenue. Kevin mentions his hope is to make book projects a predictable source of revenue. There is a problem in that since we charge a lot to put together a book, primarily due to labor costs, that it can be hard to interest publishers. They feel that in order to be worth it the book almost has to be a guaranteed best-seller. One answer would be to build books from the magazine, as with the Signal special issue.

There is discussion of the idea of profit-sharing, which had been mentioned in the minutes of the last meeting. Two questions raised are, has this been implemented, and is the staff clamoring for it. Kevin explains that currently the staff is uniformly getting $11/hour. The profit sharing idea was suggested in previous board meetings as a means to provide a bonus. Doug Carlston points out that no overtime pay is probably illegal.

The meeting moved on to the matter of Point Board memebers and Point Officers. Huey Johnson suggests the need for a procedure to select new Board members, who should have a sense of the tradition of the operation. He suggests creation of a board committee. Bob Fuller suggests that board members should have finite, rotating terms. Doug Carlston asks how many positions there are on the Board; Greg Archibald, who has been working on the Foundations legal standing, replies in the by-laws there are seven Board members. Kevin brings up the idea from the staff that there should be another staff member on the board, and that they would like Cindy Fugett to be that person. Also mentioned is the need to attract new people from outside, who would bring strengths and a wider range of ideas. Huey suggests the possibility of running an ad in the magazine for possible names. This suggestion is seconded by Doug Carlston. Would non-local Board members be a problem, asks Kevin. There are probably some who could make important meetings given sufficient notice. Huey mentions that it is now possible to hold meetings through

television conferencing systems between different cities. Doug asks what would be the advantage to having another staffer on the board would be, given the limited number of positions and the need for far-ranging coverage. Stewart comments that the idea would be to connect the Board to the staff, not the other way around. The response is that non-Board members can always be invited to attend meetings, and that the benefits of new outside members is great.

Doug moves that Kevin and Stewart should create a list of prospective Board members to be discussed at the next meeting. This is seconded. Greg Archibald points out the need for proper process in meetings, with actual votes and so forth. In response, the Board votes to approve the minutes and to establish the nominating committee of Stewart and Kevin.

There is discussion of the tradition of the "Elijah chair" on the Board. It is agreed that at this meeting Bob Fuller is in that capacity.

Kevin points out that there is a need for clarification of the Foundation Offices and officers. Greg Archibald says the by-laws call for a President, a Secretary, and a Treasurer. These can be combined as in a President and a Secretary/ treasurer. Doug Carlston suggests that the officers do not need to be on the Board. They should be accessible on a more day-to-day basis. Stewart nominates Kevin Kelly for President and Cindy Fugett for Secretary/treasurer. This is seconded and approved.

The next topic was the WELL. There has been an offer from a group of investors to buy the WELL. Point is half-owners, the other share owned by NETI. Cliff Figallo discusses the current state of the WELL's finances and the offer. Currently it is just covering operating expenses; NETI pays for the computer. At the moment, fluctuations in system performance keep the WELL from attracting business clients. Investment is necessary to improve the system. NETI has accepted an offer of $75,000 for their share. The offer to Point would be in the form of $25,000 now and $50,000 over time. The new owner would retain much of the current set-up with some investment in new software and other improvements.

SB gives a capsule review of the history of NETI, a scheme to improve telecommunications that never really caught on. However, the they did provide a VAX computer, giving a big boost to the creation of the WELL which is now a genuine electronic village. Kevin agrees, commenting that there is a strong loyalty in users of the system. Kevin asks what conditions there would be on the sale. It is Cliff's understanding that it would be up to Point to make some. Doug suggests that the sale be set up so as to retain control through the last payment. Kevin mentions that Matt McClure had suggested Point retain a small share. After some discussion, it is agreed that such a share would be of some cost and little value. It would be better to arrange for some employment guarantees for current staff and usage agreements.

SB moves to accept the offer. It is seconded and passed. There is a discussion of conditions. Kevin mentions that conference hosts should continue. Doug mentions retaining operational control until last payment. Greg Archibald asks if their is a desire to have the Board give final approval of final documents. Doug suggests that the conditions are more of interest to the staff. Conditions to be discussed include a 6 month employment guarantee for current staff, retaining hosts, usage time. Kevin mentions keeping the name WELL. It is agreed that negotiations can proceed with no review of the final documents by the Board.

Kevin reports of a new project involving Apple Computers. Currently a feasibility study is working on the idea of putting the Whole Earth Catalog on CD-ROM. This would be bundled with a new Apple product as part of their marketing of that product and technology. Based on this study, a proposal would be made to Apple Corporate, with cost of $350,000. The question arises houw this would be different from the printed catalog. Using the new technology would really be a translation into a new medium providing access to greater details and depth through linking database structure.

KK reported on the plans for a direct mail promotion campaign. This involves an account of $7000. Keith Jordan and Richard Schauffler are working on a program, with proper safeguards and caution, to test direct mail promotion. This would be a sort of "bootstrap" account where profits go back in to support future mailings. Eric Utne's Utne reader has had very good results with direct marketing promotion.

Greg Archibald gave a quick rundown of his work in tidying up the Point's legal status, and submitted a report to be included with the minutes. He is given the go-ahead to keep on with the things mentioned.

The meeting adjourned.